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C O N F I D E N T I A L SECTION 01 OF 03 OTTAWA 000001

SIPDIS

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TAGS: PGOV PINR CA

SUBJECT: "NEVER APOLOGIZE": PM HARPER'S GOVERNING STYLE

REF: A. 08 OTTAWA 1495

1B. 08 OTTAWA 1574
1C. 08 OTTAWA 1586

¶D. 08 OTTAWA 1577

Classified By: DCM Terry Breese, reason 1.4 (d)

11. (C) Summary: Prime Minister Stephen Harper's reputation as a master political strategist is somewhat tattered in the wake of November's stunning near-fatal mis-step to abolish public financing for all political parties. However, at least on the surface, he remains unbowed and unapologetic. Relying on an extremely small circle of advisors and his own instincts, he has played the game of high-stakes, partisan politics well, but his reputation for decisiveness and shrewdness has been tarnished by a sometimes vindictive pettiness. With only a few exceptions, he has not built the bridges to the opposition typical of a minority PM. Moving from surpluses to deficits, he will face new imperatives in the changed economic and political landscape of 2009 to adopt a more conciliatory and inclusive approach. However, this will go against the grain for such an instinctively combative Prime Minister. End summary.

Blow to reputation

12. (C) Canadians have had fifteen years to get to know Stephen Harper as Reform Party MP (1993-1997), head of the free enterprise National Citizens Coalition (1997-2001), leader of the Canadian Alliance (2002- 2003), Conservative opposition leader (2004-6), and Prime Minister (2006-present), but he remains an enigma to most Canadians (including many Conservatives). Supporters and detractors alike have labeled him a master strategist and cunning tactician, as well as an extremely partisan but paradoxically pragmatic ideologue. He calls himself a realist. However, his reputation as a peerless political chess-master is now somewhat in tatters, following what most perceive as an atypical near-fatal miscalculation over a Fall Economic and Fiscal Statement (ref a) that lacked economic credibility and proposed the elimination of per vote public subsidies for political parties. Faced with an opposition revolt, Harper

first unusually retreated on the latter proposal, and then bought time by proroguing Parliament on December 4 to avoid a loss of a confidence vote on December 8.

Party first

- $\P3$. (C) As Conservative leader, Harper has pursued two key objectives: welding the fractured Canadian conservative movement into one cohesive Conservative Party of Canada (CPC); and, positioning the CPC to replace the Liberals as Canada's "natural governing party." He succeeded in the first goal by imposing discipline and coherence, dangling the prospect of a majority government, and centralizing power to an unprecedented degree in the Prime Minister's Office (PMO). He has made no secret of his desire to win a majority government, or of his determination to occupy and redefine the political center. As he recently told reporters, "if you're really serious about making transformation, you have to pull the center of the political spectrum toward conservatism . . . we're building the country towards a definition of itself that is more in line with conservatism." In a separate year-end interview, he underscored that his goal since becoming leader has been to create a strong party "that can not just win the odd election but can govern on an ongoing basis." Until now, that strategy has rested on winning additional seats in Quebec, but the setbacks in the province during the October election and Harper's denunciations of Quebec separatists during the early December mini-crisis may necessitate a change in direction.
- ¶4. (SBU) In 2007, former Harper strategist Tom Flanagan set Q4. (SBU) In 2007, former Harper strategist Tom Flanagan set out his "Ten Commandments of Conservative Campaigning" that read like a prescription for Harper's governing style: party unity; discipline; inclusion (reach out to ethnic minorities); toughness; grassroots politics; persistence; and, technology (fundraising and grassroots motivation). On the policy side, moderation, "incrementalism," and communication. Conservatives, Flanagan noted, "must be willing to make progress in small, practical steps . . . sweeping visions . . . are toxic in practical politics." Moreover, with five parties on the field, he warned there was little room for niceties; elections would "not be just street fights, but all-out brawls."

Governing the country, closely

15. (C) In office, Harper has rarely made the compromises typical of a minority PM, nor built the bridges and informal

OTTAWA 00000001 002 OF 003

channels that usually get things done in a minority Parliament. In his first term, he practiced confrontation over cooperation, governing in a kind of faux majority-minority style that humiliated the already weakened official opposition Liberals (a task made easier by the often hapless performance of then-Opposition leader Stephane Dion). He reached across the floor only twice: in March 2008 to achieve bipartisan consensus on the extension of Canada's military mission in Afghanistan through 2011; and, in June 2008 to resolve the Indian Residential Schools issue. More typical was his free use of confidence votes on a series of legislation to force passage of his agenda under threat of an election, and his fait accompli in 2006 recognizing the Quebecois (i.e. not Quebec province) as a nation within a united Canada, a step that took both his own party as well as the opposition by surprise.

16. (C) Tight focus on the leader and close-hold of information have been the hallmarks of Harper's governing style. Initially, strict discipline and scripting made sense for a new government on probation, whose members had almost no experience in power. However, Harper has centralized communications and decision-making within the PMO (an ongoing

trend since the 1970s) to an unprecedented degree, according to commentators familiar with the public service and Conservative insiders. "The Center" (PMO and Privy Council Office) is clearly the arbiter of even the most routine decisions.

17. (C) For their part, cabinet ministers have mostly kept on message and in the prime minister's shadow. Since July, under new Chief of Staff Guy Giorno and communications director Kory Teneycke, media access to ministers has been loosened, but ministers are still on a short leash. At a December conference, one Minister of State confessed privately that he did not "dare" to deviate from his pre-approved text, even though fast-moving events had already overtaken his speech. Discussions with Conservative caucus members over the past year have also made it clear that they are often out of the loop on the Prime Minister's plans, including key committee chairmen in the House of Commons. Many senior Conservatives admitted that they were stunned to hear about the ban on public financing of political parties in the Fall Economic Statement; neither the Cabinet nor the caucus apparently had any clue this was even part of the long-range agenda, much less subject to an immediate confidence vote.

Inner, inner circle

- 18. (C) Harper's inner circle appears extremely small. Notoriously hard on staff (Harper burned through a series of communications directors as opposition leader, and once reportedly told an aide that he liked to see the "fear" in the eyes of prospective employees), Harper seems to operate largely as his own strategist, tactician, and advisor. Often described by observers as self-consciously the "smartest guy in the room," he has tended to surround himself with like-minded people. As a result, some insiders say he lacks staff willing or able to act as an effective sounding-board or check his partisan instincts. Following the departure in July of long-term advisor and chief of staff Ian Brodie and communications director Sandra Buckler, their replacements Giorno and Teneycke are known as highly partisan veterans of two controversial majority Ontario provincial governments that polarized public opinion.
- In cabinet, pundits consider Environment Minister Jim Prentice, Transport Minister John Baird, and Foreign QJim Prentice, Transport Minister John Baird, and Foreign Affairs Minister Lawrence Cannon to have Harper's confidence. However, few, if any, ministers appear to be genuine confidantes. Unlike former Conservative PM Brian Mulroney, who famously called his MPs when their kids were sick and kept their loyalty even when his personal popularity plunged to historic lows, Harper lacks the personal touch. He appears to keep his caucus in line more through respect for what he has accomplished and with the power and authority that comes with the position of Prime Minister -- and as the party's best hope for a future majority -- than through affection or loyalty. He has worked to quiet the party's socially conservative rank and file, and to marginalize contentious issues, such as same-sex marriage and abortion, notably at the party's November policy conference in Winnipeg. He will next have to win their acquiescence to upcoming deficit spending -- anathema for western Canadian conservatives -- for a new stimulus package. Realistically, however, they have no credible alternative to Harper or the CPC at this point, which will help to keep the party base loyal.

Expect surprises

OTTAWA 00000001 003 OF 003

110. (C) After almost three years in power and facing a changing economic and political landscape for 2009 (ref b),

Harper's new agenda is probably also still evolving. 2008 Conservative election platform, the November policy convention, and the 2008 Speech from the Throne provided few insights, obliging Harper-watchers to parse his comments and actions for clues about his future direction. Harper has typically concentrated almost exclusively on short-term election planning horizons, giving his government a sometimes improvisational air. Some commitments (such as revisions to the Anti-terrorism Act and new copyright legislation) have languished, while others (notably his about-face on his election pledge not to run a deficit, and his current proposal to inject up to C\$30 billion in fiscal stimulus in FY 2009-2010) have been surprise reverses. Harper has also not been bound by party orthodoxy. On December 22, he filled the Senate with 18 unelected Conservatives and directly named a Supreme Court justice, contradicting long-standing commitments to an elected Senate and parliamentary review of Supreme Court appointments (refs c and d).

- 111. (C) According to one insider, Harper "likes surprises," not least to keep the opposition off balance. For the opposition, Harper's unpredictability has been more dangerous due to his fierce partisanship and his willingness to take risks. Harper and senior Conservatives prefaced the 40th Parliament with calls for greater conciliation, a new "tone," and a common resolve to work together to tackle the economic crisis. However, the government's provocative Economic and Fiscal Statement immediately revived the bitterness and threat of an election that had hung over the parliament until the prorogation. Opposition leaders claimed that the PM had "poisoned the well" and broken their trust. As one national columnist noted, the Statement "amounted to a declaration of war."
- 112. (C) The opposition's ability to turn the tables with a proposed coalition in turn apparently caught the PM by surprise, as was perhaps the rumored unwillingness of the Governor General to rule out this option against his advice. His ensuing passionate attacks on the "separatist" coalition undid much of the progress the Conservative party had made in Quebec. Harper was able to retake the initiative by seeking, and gaining, a prorogation until January 26, but in year-end media interviews he remained unapologetic. He denied that he had acted like a "bully" in provoking the crisis, adding "it's our job . . . to put forward things we think are in the public interest."
- 113. (C) In anticipation of the 2009 budget, PM Harper has somewhat uncharacteristically reached out to the opposition for input, opened channels to new Liberal leader Michael Ignatieff, and appointed an eminent persons Economic Advisory Group with some Liberal representation. He told CTV that his plan is to focus on the economy and "find some consensus" in Parliament, but he also made it clear that, if his political rivals defeat him in January, he will have "no choice" but to ask for an election: "if the decision of Parliament is that they don't support the government people elected, then I think, the only -- in my view -- constitutionally, politically, morally, the only reasonable thing to do at that point is for some other government to get a mandate from the Canadian people."
- 114. (C) In the changed economic and political landscape of 2009, PM Harper will face new imperatives to adopt a more conciliatory and inclusive approach. However, this will go Qconciliatory and inclusive approach. However, this will go against the grain for such an instinctively combative Prime Minister.

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